as an absurdity; any surplus above that line might readily have been handed over to the Government, half of it perhaps in taxation and the other half in the form of a forced loan.

So sweeping a change would not have been necessary at first, perhaps not at all, because the war's cost would not have grown nearly so rapidly. All surplus income above a certain line would have been taken for the time being, but with the promise to repay half the amount taken, so that it should not be made a disadvantage to be rich, and no discouragement to accumulation would have been brought about. By this means the whole of the nation's buying power among the richer classes would have been concentrated upon the war, with the result that the private extravagance, which is still disgracing us in the fourth year of the war, would not have been allowed to produce its evil effects. With the rich thus drastically taxed, the working classes would have been much less restive under the application of income tax to their own wages. We should have a much more freely supplied labour market, and since the rise in prices would not have been nearly so severe, labour's claim to higher wages would have been much less equitable, and labour's power to enforce the claim would have been much less irresistible.

What the Government has actually

done has been to do a little bit of taxation, much more than anybody else, but still a little bit when compared with the total cost of the war ; a great deal of borrowing, and a great deal of inflation. By this last-namecf